

**IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

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**FEDERAL TRADE COMMISSION,**

**Plaintiff,**

**v.**

**JOHN ZUCCARINI, individually and  
d/b/a Cupcake Party, *et al.*,**

**Defendant.**

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**Civil Action No. 2:01-cv-04854-BMS**

**PLAINTIFF FEDERAL TRADE COMMISSION'S STATUS REPORT  
AND STIPULATED ORDER TO RELEASE CERTAIN  
INDIVIDUAL RETIREMENT ACCOUNT ASSETS**

The Federal Trade Commission submits this Status Report to inform the Court of the current progress made by the parties to resolve this matter. Defendant Zuccarini continues to represent himself in this proceeding. The parties are engaged in settlement discussions and have agreed to the release of certain assets.

The FTC has requested and received discovery from Defendant Zuccarini and various third parties, including banks holding Defendant Zuccarini's assets, and entities with whom Defendant Zuccarini conducted his Internet activities. We now have additional information on the scope of Defendant Zuccarini's business activities and concerning Defendant Zuccarini's financial assets, expenses, and liabilities.

Based on the information gathered thus far, we are working towards resolving this matter. The Federal Trade Commission is currently drafting a Stipulated Contempt Order and Proposed Modification of the Permanent Injunction for Defendant Zuccarini's consideration. We anticipate completing discussions concerning a Stipulated Contempt Order and Proposed

Modifications to the Permanent Injunction within the next two weeks. If we are unable to reach an agreement with Defendant Zuccarini, we will promptly request that the Court schedule a contempt hearing. If we are able to reach an agreement with Defendant Zuccarini, we would then submit the proposed Stipulation and Modification to the Bureau of Consumer Protection and thereafter the full Commission for their approval.<sup>1</sup> Once submitted to the full Commission, consideration of a proposed settlement typically is completed within six to eight weeks.

Finally, Defendant Zuccarini has sought release of frozen assets for living expenses. The FTC has agreed to the attached Stipulated Order unfreezing Defendant Zuccarini's Individual Retirement Accounts. Upon entry of the Stipulated Order, Defendant Zuccarini has agreed not to seek the unfreezing of any other assets for living expenses during the pendency of this litigation.

The Federal Trade Commission will file an interim Status Report with the Court no later than March 30, 2007. A Proposed Stipulated Order is attached.

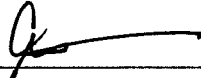
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<sup>1</sup> Commission attorneys do not have authority to settle cases themselves. Settlements are recommended by staff attorneys, in consultation with their supervisors, and approved by the Commission.

Dated: January 31, 2007

Respectfully submitted,

WILLIAM BLUMENTHAL  
General Counsel



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<b>Plaintiff,</b>	:	<b>Civil Action No. 2:01-cv-04854-BMS</b>
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<b>v.</b>	:	
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<b>JOHN ZUCCARINI, individually and</b>	:	
<b>d/b/a Cupcake Party, et al.,</b>	:	
	:	
<b>Defendant.</b>	:	

(Proposed)

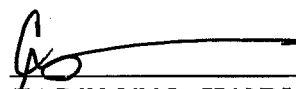
**STIPULATED ORDER RELEASING DEFENDANT ZUCCARINI'S  
INDIVIDUAL RETIREMENT ACCOUNT ASSETS FROM ASSET FREEZE**


The parties jointly stipulate to the release of assets frozen pursuant to Sections I and II of the Preliminary Injunction entered on January 5, 2007 as follows:

Fidelity Management Trust Company and T. Rowe Price Associates, Inc. are directed to release the individual retirement accounts held in the name of or for the benefit of John Zuccarini within 48 hours of receipt of this Order.

FOR THE PLAINTIFF:

FOR THE DEFENDANT:

  
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 JOHN ZUCCARINI  
 Defendant  
 190 SW Kanner Highway  
 Stuart, FL 34997  
 (772) 631-3887 (telephone)  
 raveclub@adelphia.net

**IT IS SO ORDERED**, this \_\_\_\_ day of \_\_\_\_\_, 2007.

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BERLE M. SCHILLER  
United States District Judge  
United States District Court for the  
Eastern District of Pennsylvania

Certificate of Service

I hereby certify that, on this 31<sup>st</sup> day of January, 2007, I caused Plaintiff Federal Trade Commission's Status Report and Stipulated Order to Release Certain Individual Retirement Account Assets to be served on January 31, 2007, by electronic mail and first class mail, to the following:

John Zuccarini  
190 SW Kanner Highway  
Stuart, Florida 34997  
[raveclub@adelphia.net](mailto:raveclub@adelphia.net)

*Pro Se* Defendant

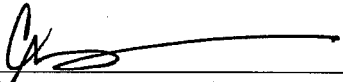
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Dated: January 31, 2007

  
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